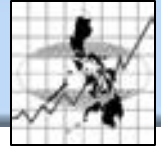


Organizing for a Rapid Market Research



PROJECT DEVELOPMENT

Notes 1

Development Investment Management



Resourceful local governments mobilize inter-disciplinary teams for their market studies.

Wanted: In-House LGU Market Researchers

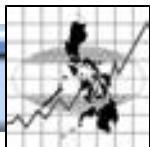
There is a growing need to conduct primary data gathering in the preparation of market research studies. Market studies are a pre-requisite to pre-feasibility studies, especially in light of the increasing privatization of services traditionally provided by government. Local government units (LGUs) need solid indicators in establishing the potential profitability of projects to attract private investors.

However, few LGUs are adept at conducting market research. Also, it is considered laborious and expensive. Market research has been often left to national government agencies and research institutions. Thus, LGUs generally rely on secondary data prepared by official research agencies. At most, local research studies are conducted in a specialized manner depending on the limited definition of programs or projects, e.g. waterworks facilities. This specialized approach to preparing research and studies sometimes suffers from lack of enrichment from other disciplines or key informants.

For local projects to cater to local needs and markets, market studies should capture local character, which are not covered by national and regional research. Likewise, since most national research is periodic, usually every five years, secondary data hardly capture new market dynamics that can impact proposed local projects. LGUs need to look at useful innovations in addressing the challenge of mobilizing local staff and resources for purposes of preparing market studies.

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Technology

Basic Roles in Market Research Implementation

Rapid market research can be done in two weeks to three months. Most LGUs have no full-time staff or unit that specializes in project development or market research. To manage this inadequacy, the LGU may organize an ad hoc or permanent multi-disciplinary team since there is no single office that can provide all the skills and personnel for the activity.

In conducting rapid market research, it will be helpful to organize a Rapid Market Research Team with clear roles and responsibilities to implement the research plan. Roles may vary depending on the basic research approach chosen by the Team. For surveys, the model described below can be adopted.

A Survey Manager (SM) is responsible for overseeing the conduct of the survey from start to finish, including designing the questionnaire, sending team members to conduct interviews, collation and analysis of data, and preparing reports. The SM is responsible for providing a pre-agreed set of administrative support to field teams. Accessibility of the SM during the data gathering is required to provide early response to field questions and concerns. The SM's re-



Good market studies are best done in teams such as the one organized by Pan-ay, Capiz to develop the Pan-ay Fishport Project.

sponsibility ends when a survey report using a prescribed format is submitted to and accepted by the concerned LGU executive.

Field Coordinators (FCs), prior to actual interviews, lead the teams in assigned areas and supervise distribution of questionnaires and assignment of respondents to field interviewers (FIs). During the administration of interviews, FCs review submitted questionnaires for legibility of notes, and completeness and correctness of entries. They direct interviewers in pro-

viding missing information and correcting erroneous entries made. After the field teams have completed their tasks, the FCs turn over their survey reports and the completed and verified questionnaires to the SM.

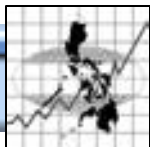
Field Interviewers (FIs) administer interviews in their pre-designated areas and target set of respondents. Results of their interviews are submitted to designated FCs for double-checking and clearance.

Spot Checkers are assigned to complete and verify data in questionnaires submitted whenever an FC finds it necessary.

For Focus Group Discussions (FGDs) or group interviews, a team of three is recommended. Their first task is to prepare the discussion guide. The Moderator uses the guide to lead the FGD. The Assistant Moderator helps the Moderator and acts as time keeper, while the Documentor records the FGD proceedings. All three must spend time together to consolidate documentation and observations gathered during the discussions. As in surveys, their task ends when their report is submitted to and accepted by the responsible LGU executive.



The provincial government of Nueva Vizcaya organized market research teams in the development of the Nueva Vizcaya Agricultural Terminal Project.



Policy and Practice

Market Research Support Structures

Financing institutions consider the marketability of projects, aside from their financial soundness, as a measure of project viability. Based on experience, private investors will only be interested to take part in build-operate-transfer schemes or other financing arrangements with LGUs if proposed projects will satisfy market demands. Projected marketability of products and

services will be indefensible without a solid market study.

The Project Development Assistance Centers (PDAC) created under the National Economic and Development Authority (NEDA) provide technical assistance on project development. The PDACs can assist LGUs carry out early stages of project development work which could include market research.

Several innovative LGUs are actively exploring solutions to address the lack of focus and attention on rapid market research. These include Nueva Vizcaya, Capiz, and Palawan. These LGUs, as needed, issue executive or special orders to create task forces, technical working groups (TWGs), or a project development team (PDT).

Practices That Are Working

In Nueva Vizcaya, the Project Development Team (PDT) was created as an ad hoc committee through a Special Order signed by the Governor to conduct research and studies for identified priority projects of the province. The PDT is composed of ten active members coming from different offices and departments of the Provincial Government. To manage the workload, the Team is divided into three functional groups:

Market Research, Technical, and Financial Analysis.

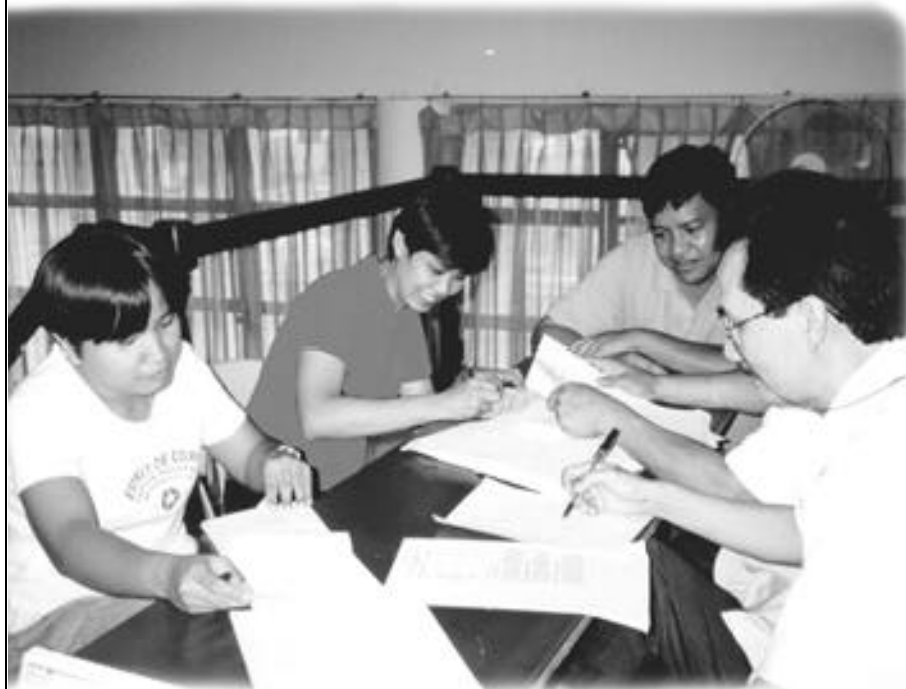
In the preparation of the Nueva Vizcaya Agricultural Terminal (NVAT) Project Study, a rapid market research was conducted. The Market Research Group was organized to be mainly responsible for the output but the whole Team was mobilized to undertake field activities. For purposes of systematically helping each other, the Team desig-

nated among themselves a field manager, field coordinators, field interviewers, and spot checker for field interviews.

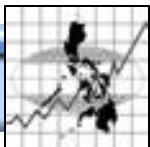
Subsequent to the survey, the Team decided to supplement data gathered with interviews among farmer producer groups and other key informants. Focus Group Discussions (FGDs) were conducted in three municipalities to determine their perception of the importance of the NVAT. PDT members were divided into three sub-groups where each team member was assigned specific tasks as moderator, assistant moderator/timer, and documentor.

For both activities, a timetable was set for preparatory activities, actual field research, collation, and analysis of findings. Preparatory activities included orientation and preparation of survey instruments, coordination with target respondents, and pre-testing. Administrative requirements such as daily allowances, supplies and materials, and transportation were also discussed and clarified.

Total expenses incurred during the rapid market research amounted to about P33,000 which covered daily allowances of team members, supplies/materials, and fuel cost.



The Project Development Team of Nueva Vizcaya during an organizational meeting.



LGU Action Agenda

What the LGU Can Do

In coming up with the key agenda for organizing teams for rapid market research the LGU should:

1. Build market research skills and cooperation within the LGU planning offices to assist project preparation. In Capiz, the Project Study for the Inter-Municipal Water Supply System benefited from collaboration among provincial and municipal planning offices who took charge of determining the demand for water supply services in nine municipalities.

2. Consider assigning a special staff or assistant to the Local Chief Executive (LCE) to observe the market and generate strategic project ideas that will benefit local constituents.

3. Network with agencies that have market research capabilities or allied services and interests, such as [NEDA](#), [Department of Trade and Industry](#), [Department of Agriculture](#), educational institutions, and private organizations in the industry relevant to the project. In Nueva Vizcaya, the TWG partnered with BUDECO, a pineapple producer cooperative, in establishing market demand for pineapple planting materials.

Why You Need an In-house LGU Research Team

LGU staff members are considered to be in the best position to administer and organize for rapid market research. They know the extent and limitations of available secondary data thus, have a good gauge of information needed to develop the local project study. Their knowledge of the local dialect will ensure that more ideas and deeper insights are gathered from target respondents.



An LGU in-house research team is in the best position to capture local knowledge, as demonstrated in Palawan.

Helpful Tip: Keep Stakeholders Involved

LGU research staff need the participation of stakeholders for sustained support to the research activities. Take the case of NVAT: it is a provincial project but the Nueva Vizcaya PDT coordinated its activities with the municipality of Bambang, where the NVAT project will be located. An orientation meeting was held between the municipal mayor and the Municipal Planning and Development Coordinator (MPDC). As a result, the Municipal Mayor extended his support to the activity and instructed the MPDC, Market Administrator, and Municipal Treasurer to assist the PDT during the rapid market research. The involvement of the municipal staff facilitated the conduct of interviews since they were familiar with most of the respondents. They also acted as key informants on trading activities in the current trading site.

Consistently, prior coordination with municipal and barangay officials in the production areas was also done before the actual conduct of the Focus Group Discussions. Target respondents were given initial information on the activity. This enabled them to be more involved and open during the discussions.

For more information on how this worked, you may call Engr. Larry Lannu, head of Nueva Vizcaya's Project Development Team at telephone (078) 321-2793.